

## Reps. Crowley, DeLauro, Grimm, Larson, LoBiondo, Pascrell, Rangel, Runyan, Smith Discuss Legislation to Provide Tax Relief to Struggling Families & Businesses

WASHINGTON – To help families and businesses struggling to rebuild in the wake of Hurricane Sandy, U.S. Reps. Joseph Crowley (D-NY), Rosa DeLauro (D-CT), Michael Grimm (R-NY), John Larson (D-CT), Frank LoBiondo (R-NJ), Bill Pascrell, Jr. (D-NJ), Charles B. Rangel (D-NY), Jon Runyan (R-NJ) and Chris Smith (R-NJ) today announced legislation to provide tax relief to the victims of the devastating storm that caused widespread destruction throughout the Northeast. The Hurricane Sandy Tax Relief Act of 2012, modeled after a similar bill passed into law in the wake of Hurricane Katrina, is aimed at providing tax relief for victims of Hurricane Sandy in areas designated as Federal Disaster Areas by the President.

"As we continue to rebuild in the wake of one of the worst natural disasters to hit our region in generations, we must ensure that our communities have the resources they need to begin to put their lives together," said Reps. Crowley, DeLauro, Grimm, Larson, LoBiondo, Pascrell, Rangel, Runyan and Smith. "This bill is a crucial first step in bringing much needed tax relief to help families, communities and business in our region get back on track. We urge our colleagues on both sides of the aisle to support this legislation to help in rebuilding the lives that have been devastated by this historic storm."

The Hurricane Sandy Tax Relief Act of 2012 is sponsored by Rep. Pascrell Bill Pascrell, Jr. (D-NJ) and co-sponsored by Reps. Charles B. Rangel (D-NY), Chris Smith (R-NJ), Frank Pallone (D-NJ), Rosa DeLauro (D-CT), Frank LoBiondo (R-NJ), Rodney Frelinghuysen (R-NJ), Joe Crowley (D-NY), Jon Larson (D-CT), Scott Garrett (R-NJ), Lenard Lance (R-NJ), Michael Grimm (R-NY) and Jon Runyan (R-NJ).

The legislation will compliment the federal government's relief and recovery efforts by providing additional tax relief to businesses, individuals and municipalities affected by Hurricane Sandy, including:

**Individual Assistance:**

- Waiver of Adjusted Gross Income limitation for theft/loss deduction, so individuals can deduct the cost of uninsured losses.
- Increase the limitation on charitable contributions for disaster relief.
- Look-back Provision for Child Tax Credit and Earned Income Tax Credit, to allow a family in the affected region to opt to use their previous year's earnings to calculate their Child Tax Credit and Earned Income Tax Credit.
- Allow taxpayers whose principal place of residence is in the Hurricane Sandy Disaster Area and who suffered a loss from Hurricane Sandy, to take distributions from retirement savings accounts with no tax penalty, provided such amount is repaid within three years.

**Business Assistance:**

- Allowing businesses to expense the cost of disaster recovery.
- Allowing businesses to use Net Operating Loss to recover past tax payments or reduce future tax payments, if they are operating with no tax liability during the prescribed period.
- Increase in new markets tax credit for investments in community development entities serving Hurricane Sandy disaster areas.
- Allowing public utilities to reduce their tax liability when rebuilding or replacing assets damaged in the storm.

- Work Opportunity Tax Credits for displaced workers.

Public and Municipal Assistance:

- A new state-by-state private activity bond allocation for Sandy-affected areas to rebuild docks and wharfs, commuting facilities, certain housing, water, sewage, and solid waste infrastructure, and facilities used to provide electric energy or gas.

Housing Assistance:

- Increased allocation of the Low Income Housing Tax Credit for declared disaster areas.
- Waiver of certain mortgage revenue bond requirements, easing access to capital.

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